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OIR/DRF CONTRIBUTION TO

NIE 27/1

CHINESE COMMUNIST CAPABILITIES AND INTENTIONS
WITH RESPECT TO TAIWAN

February 1, 1952

DEPARTMENT OF STATE
OFFICE OF INTELLIGENCE RESEARCH
Division of Research for Far East

State Dept. declassification & release instructions on file

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I. E. What are Chinese Communist capabilities for infiltration of Taiwan prior to the assault?

It is doubtful that the Chinese Communists could successfully infiltrate Taiwan with a large number of agents prior to an assault on the island. Some could be sent in via Hongkong under cover, but they would be subjected, on Taiwan, to surveillance by the police and would have little opportunity to do any proselyting for their cause. Several former Nationalist officials have recently been arrested and executed in Taiwan because they had defected to the Communists on the mainland and subsequently entered Taiwan as Communist agents. The Communists thus probably could send a few emissaries to arrange for defection of Nationalist officers when and if an attack is launched but if agents were to be landed in number, surreptitiously on isolated beaches of the island, it is likely that, unless they found refuge in rural areas or in the mountains, they would soon be picked up by police. In any case their activity could be effectively curtailed until the time of a Communist attack.

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II. B. What are the factors in the political and economic situation on Taiwan that affect the capabilities of the Nationalist armed forces? How do these factors affect the Armed Forces?

The basic factor in the Chinese Nationalist political complex, affecting the capabilities of the military forces, is the propensity of President Chiang K'ai-shek to maintain power through personal relationships rather than by constitutionalism. This manifests itself in his practice of giving orders directly to the generals concerned rather than going through normal channels, thus weakening the over-all command, and in his tactic of playing off, against each other, the various contending groups under him. Jealousy among the three most powerful groups (headed by the Premier, General Ch'en Ch'eng, the Governor of Taiwan, K. C. Wu, and the Generalissimo's son, Chiang Ching-kuo) has weakened the Government and has prevented adoption of measures that would strengthen its position to meet the Communist threat. Similar frictions within and between the various military services further tend to limit their effectiveness as a fighting force.

Chiang Ching-kuo, as the head of the Political Department of the Ministry of National Defense, exercises such control over military commanders that they have little freedom of action. This would not only prove dangerous under battle conditions, but tends to discourage initiative and thus decrease effectiveness at all times. A further

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result of Chiang Ching-kuo's activity is a loss of popular support for the Government, which might be crucial in the event of Communist attack.

Another factor that cannot be overlooked is the possibility of defections in the face of attack. Officers and men foresee little future on Taiwan or any real prospect for returns to the mainland and, in the event of an attack, might therefore resort to defection as a means of preserving life and returning home. At present it appears that the population would assist in the defense of the island or remain passive. There appears to be a new awareness in Taiwan of the dangers of Communism, resulting from the excesses of the Communist regime on the mainland, and it is probable that for this reason popular defection would be at a minimum at least until it became evident that the attack would be successful and further resistance hopeless.

On the economic side, the situation in which the resources of Taiwan are being seriously strained -- and yet are obviously inadequate -- to support the present military establishment, is likely to have adverse effects on troop morale. Pay and subsistence standards, despite US military aid, are unlikely to be greatly improved under the very heavy budgetary pressures. The troops, moreover, have few local ties with the Taiwanese because of their different cultural backgrounds and are identified by the Taiwanese as the major cause of present domestic economic pressures.

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II. C. What is the scope and nature of the Chinese Communist subversive effort on Taiwan? How does this effort affect Nationalist capabilities to defend Taiwan?

The nature and scope of Communist subversive effort on Taiwan cannot be accurately assessed because, aside from sporadic reports emanating from either Hongkong or the mainland of agents being sent to Taiwan, the only source for this kind of information is the Chinese National Government. Reports of the latter are of questionable value because these are frequently designed specifically to insure confidence in the Nationalist regime and to impress the US of the Communist danger and because the Nationalists tend to label all opposition activity as Communist. The Nationalists claim, however, -- with considerable credibility -- that there was a sudden decrease in Communist activity in Taiwan in the fall of 1950, and that slow but steady progress has been made since that time in suppressing such activity.

It appears probable that there are Communist agents on Taiwan at the present time, but that they have been restricted to operating as individuals or in small groups, and that there is no large Communist organization. Furthermore, it appears that because of strict police surveillance, their activities must be largely covert and that their opportunities for recruiting among the local population are slight. There have been many possible cases of sabotage, but evidence has not

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been sufficient to clarify whether these were accidents, acts of Taiwanese dissidents, or actual cases of Communist subversion. As recent arrests have purportedly disclosed that certain individuals charged with Communism have actually been members of the Chinese Communist Party for 20 years, it is possible that there are still Communists in official positions in the Government who have not yet been ferreted out.

It is believed that under the present circumstances, the Communists may be able to operate a limited network of sabotage and espionage agents. Those presently on the island, however, will have little freedom to act before the period immediately preceding an attack. A few men may remain in key positions, who could defect at the critical time, and a few covert agents may be able to send out reports by clandestine radio stations or other devious methods. Any expansion of present Communist strength on the island would be extremely difficult.

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IV. How do the following factors influence Chinese Communist intentions with respect to Taiwan?

A. Communist Strategy in Asia. Communist strategy in Asia might dictate that Taiwan be the next target for Communist aggression, following a possible Korean settlement. However, since the seizure of Taiwan could probably not be carried out by internal subversion, infiltration, and covert external aid, Communist strategists will have to consider the problem in terms of the risks involved in a frontal assault against the US-supported KMT forces. The experience of the Korean war has indicated that the Communists might not hesitate, if necessary, to attack American armed forces, but the course of the cease-fire negotiations suggests that the Communist leadership may wish to avoid a widening of hostilities in Asia at this time, such as would probably be involved in an attack on Taiwan.

It remains a stated objective of the Chinese Communists, an objective endorsed by the USSR, ultimately to gain control of Taiwan. The method employed to achieve this end would, however, depend partly on Communist estimates of US intentions and capabilities and partly on the general international situation, including the attitude of the UN and UN members towards the question of the disposition of Taiwan.

B. Soviet Interests in Taiwan. Since a Chinese Communist assault on Taiwan would inevitably involve a sizeable Soviet commitment of materiel, probably including naval and possibly air units, considerations of Soviet interests will play a large role in a Communist decision to attack.

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Conceivably the USSR might desire a Chinese Communist attack on Taiwan for any or several of the following reasons:

1. To gain another military base and eliminate an anti-Communist strong-hold. Taiwan is not of critical security importance to the USSR, but does represent a potential threat to Communist China. How important a consideration this is to the Kremlin is not known. Communist possession of the island would breach the chain of US island bases and provide a possible base of operations against the Philippines.
2. To involve the US in possibly debilitating and lengthy military operations that might lead to a reduction of western military capabilities elsewhere.
3. To exploit the existing differences in western countries in regard to the US "neutralization" policy.
4. To keep Sino-US tension at a high point with the concomitantly increasing dependence of Pei-p'ing upon the USSR.
5. To exacerbate tension in the Far East in line with current Soviet emphasis on colonial areas.

At the same time the USSR might desire to postpone any Chinese Communist attack on Taiwan for reasons such as the following:

1. Moscow might want to avoid the risk of an expanded war in the Far East which might necessitate direct Soviet involvement.
2. The consequences of failure or stalemate of an assault on Taiwan, following the Korean venture, might be severe in terms of loss of prestige, materiel, and trained military manpower.
3. Irrespective of the need for direct Soviet involvement, an attack on Taiwan might require Soviet materiel and other military aid on a scale the USSR is not willing to commit, particularly in view of the secondary strategic importance of the island to the USSR.

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4. An attack on Taiwan would reduce Communist capabilities for action elsewhere. The Communist leadership may estimate that greater gains could be achieved, for example, in Indochina or Burma, at less cost and with no greater risk of widened hostilities or global war.
5. Moscow may be satisfied that US support of Nationalist China assures continued Sino-US tension and continued aggravation of American relations with those countries that do not share the US views on Taiwan.

C. Communist Estimate of US Intentions. The Communist leadership probably recognizes that under present conditions the US "neutralization" policy will remain in effect, but it may hope to gain an eventual revision of that policy, possibly following a Korean settlement. However, the Communists probably recognize the domestic political repercussions in the US of any suggestions to turn Taiwan over to the Pei-p'ing regime.

D. Communist Estimate of Possible US Counter-action. A possibly decisive consideration in any Communist decision on Taiwan would be the Communist estimate of US counter-measures. The Communist leadership probably believes that any invasion attempt would be met by resolute opposition by US naval and air units and that an invasion attempt would be followed by a relaxation of the "neutralization" policy to permit the Formosan government to retaliate against the mainland. In addition, the Communists probably feel that there is a considerable risk that an attack on Taiwan would be followed by US naval and air action against the mainland bases supporting an attack. Furthermore, the Communists probably realize that once US forces are committed, it may be difficult to localize hostilities, and that the danger of a general Asian or world war would be

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greatly increased. In view of the estimated probability that the Kremlin desires to launch neither a general Asian nor a world war during the time period of this estimate, considerations of possible US counter-measures probably weigh heavily against a decision to attack Formosa.

E. The Korean Situation

2. Truce Negotiations. In view of the estimated probability that the Communists desire a settlement of the Korean war on a basis acceptable to them, it is questionable that they would risk wrecking the Korean talks and jeopardizing possible political discussions after a cease-fire by initiating an attack on Taiwan.

F. Possible Reaction In non-Communist Countries. The possible reaction in non-Communist countries to a Chinese Communist attack on Taiwan would not deter the Communists from an attack, particularly since many non-Communist countries have a large measure of sympathy for Chinese Communist claims to the island.

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V. What are the indications of Chinese Communist intentions with respect to Taiwan?

Recent Chinese Communist propaganda has evaded the question of invading Taiwan. Whereas the 1950 New Year's message of the Central Committee stated that part of the task for the coming year was "to liberate Taiwan, Hainan Island, and Tibet," the various messages a year later subordinated the question of Taiwan to the more general struggle against American "imperialism," and gave no assurance of any specific action against Taiwan during 1951. The 1952 official New Year's editorial cited Taiwan merely as a case of US aggression, and made no reference to the island's "liberation." Chairman Mao's New Year's message for 1952 made no mention whatsoever of Taiwan. Although Premier Yoshida's letter to Mr. Dulles regarding the signing of a Japanese peace treaty with the Chinese National Government offered an excellent opportunity for comment on the issue, the retort given by the Communist Vice Minister of Foreign Affairs, Chang Han-fu, on January 22, 1952 avoided any mention of a Communist "liberation" of Taiwan, and the general tone of the statement was directed against Japan and the US for uniting in "aggressive measures...against Korea and China."

That Pei-p'ing has not abandoned the "liberation" of Taiwan as an ultimate objective, however, is indicated by such statements as Chou En-lai's political report to the CPPC on October 23, 1951,

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when he declared "the Chinese people are determined to liberate Taiwan from the grip of the American aggressors and will never relax until they have achieved that end." However, this statement was made in the context of the Chinese People's "long term struggle to resist American aggression and aid Korea." The "liberation of Taiwan" has also been declared to be one of the objectives of Pei-p'ing's program of military modernization.

V. D. UN Negotiations

Soviet and satellite representatives in the UN demonstrated considerably less interest in Taiwan during 1951 than in 1950. The USSR repeatedly charged the US with plotting aggression against Communist China and Southeast Asia, including the transportation of KMT troops from Taiwan to Thailand and Burma, but these charges seemed to be a part of the general Soviet propaganda offensive, and not specifically designed to lay the groundwork for a possible invasion of Taiwan.

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ADDENDA TO OIR/DRF CONTRIBUTION TO NIE-27/1:

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CHINESE COMMUNIST CAPABILITIES AND
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February 25, 1952

On Page 3, between second and third paragraphs, insert following discussion of political situation:

"It is possible that in the event of the death of the Generalissimo, the regime might be seriously disrupted by factionalism, with Ch'en Ch'eng and Chiang Ching-juo emerging as the chief protagonists. Ch'en enjoys extensive personal loyalty among Nationalist forces while Chiang has established considerable political control within the same; consequently, assessment of their relative military strength is difficult. Thus, in the event that succession to power were not quickly established, the Nationalist potential for resisting either external attack or internal subversion -- including defections -- would probably be greatly decreased. It is possible, however, that if the Communists decided to take advantage of such a situation, the people on Taiwan would have sufficient warning of the impending attack to subordinate private differences to the over-all emergency and to rally around a single leader. It is estimated that there will be no serious outbreak of factionalism within the regime so long as the Generalissimo remains alive."

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On Page 6, at the end of the first paragraph of IV-A, insert:

"If the Korean negotiations should fail and fighting in Korea be extended, Communist strategy toward Taiwan would probably be governed primarily by military considerations. The Communists might launch a diversionary attack on Taiwan, but would be unlikely to shift their primary military emphasis from the strategically more important areas of Korea and Manchuria. If the Korean negotiations should lead to a Korean armistice and to political discussions, it is likely that the Communists will refrain from attacking Taiwan while political negotiations are in progress in order not to prejudice their position at the bargaining table or before the eyes of the world."

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